

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 146353

11

ORIGIN EB-11

INFO OCT-01 EUR-25 ADP-00 COME-00 L-03 INT-08 DODE-00

INR-10 NSAE-00 RSC-01 TRSE-00 AEC-11 CIAE-00 STR-08

OMB-01 /079 R

DRAFTED BY EB/ISM:WPOLIK:RDM

7/25/73 EXT. 21705

APPROVED BY EB/ICD:JBKYLE

EB/ISM:DFMEYERS

EUR/WE:EJBEIGEL

EUR/RPE:ACALBRECHT

COMMERCE:BCABP:JLEVIN

----- 055622

R 252151Z JUL 73

FM SECSTATE WASHDC

TO AMEMBASSY ROME

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE STATE 146353

E.O. 11652: N/A

TAGS: EIND, ETRD, IT

SUBJECT: U.S. FERROUS SCRAP EXPORTS TO ITALY

REF: STATE 145525

1. ITALIAN EMBASSY COMMERCIAL COUNSELOR GIORGIERI MET WITH  
DEPTOFFS JULY 24 ON FERROUS SCRAP, AND DELIVERED FOLLOWING  
NOTE (UNNECESSARY WORDS DELETED):

A. BEGIN TEXT. ITALIAN EMBASSY REFERS TO MEASURES  
INTRODUCED JULY 2 1973 BY DEPARTMENT OF COMMERCE CONCERNING  
SUSPENSION OF EXPORT LICENSING FOR FERROUS SCRAP AND WOULD  
LIKE TO DRAW ATTENTION TO THE EXTREMELY SERIOUS CONSEQUENCES  
THAT ITALIAN METALLURGICAL INDUSTRY STANDS TO SUFFER AS A  
RESULT OF THE RESTRICTIVE MEASURE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 146353

B. ITALIAN CONSUMPTION OF FERROUS SCRAP CURRENTLY AMOUNTS TO 12 MILLION TONS ANNUALLY, OF WHICH WELL OVER 5 MILLION TONS ARE IMPORTED. OBVIOUSLY THE RESTRICTIVE MEASURE WILL NOT ONLY DRASTICALLY INFLATE PRICE OF FERROUS SCRAP ON THE INTERNATIONAL MARKET BUT COULD BRING ABOUT A CONSIDERABLE REDUCTION IN THE OUTPUT OF SOME ITALIAN STEEL PLANTS.

C. IN CONSIDERATION OF ABOVE, ITALIAN EMBASSY ASKS DEPARTMENT OF STATE TO CONVEY TO DEPARTMENT OF COMMERCE ITS

SERIOUS CONCERN OVER THE RESTRICTION AND TO USE ITS GOOD OFFICES TO THE END THAT ITALIAN METALLURGICAL INDUSTRY MAY BE ENABLED TO CONTINUE TO IMPORT FROM THE US ITS VITALLY NEEDED SUPPLIES OF FERROUS SCRAP, AT LEAST UP TO THE LEVEL OF 1972 OR, ALTERNATIVELY, UP TO THE AVERAGE OF 1969-1972. END TEXT.

2. DURING DISCUSSION, DEPTOFFS PROVIDED GIORGIERI DATA ON RECENT US SCRAP EXPORTS TO ITALY (IN THOUSANDS NET TONS): 1966, 322; 1967, 217; 1968, 729; 1970, 540; 1971, 588; 1972, 717. JAN-MAY 1973 EXPORTS TO ITALY TOTALED 116,000 TONS, DOWN 51 PERCENT FROM 238,000 TONS IN JAN-MAY 1972. TOTAL OF 1973 EXPORTS TO DATE PLUS ORDERS (AS OF JUNE 17) ON US BOOKS FOR SHIPMENT TO ITALY THROUGH DECEMBER 1973 ESTIMATED BY COMMERCE AT 411,000 TONS.

3. ACCORDING GIORGIERI, SHARP DECLINE IN SCRAP EXPORTS TO ITALY DURING FIRST HALF 1973 AND RELATIVELY LOW LEVEL OF ORDERS ON BOOKS AS OF JUNE 17 DUE IN LARGE PART TO STRIKES IN ITALIAN STEEL INDUSTRY EARLIER THIS YEAR. THESE HAVE NOW BEEN SETTLED, AND ITALIAN SCRAP REQUIREMENTS NOW BACK TO NORMAL. ITALY THUS SORELY NEEDED US SCRAP ADDITIONAL TO THE TOTAL OF 411,000 TONS EXPORTED THUS FAR IN 1973 AND ORDERS CURRENTLY ON BOOKS. GIORGIERI NOTED THAT ADDITIONAL TONNAGE REQUIRED BY ITALY THIS YEAR (OVER THE 411,000 TONS) WAS SMALL WHEN COMPARED TO TOTAL US 1973 EXPORTS (WHICH MAY REACH ALLTIME HIGH OF 11.4 MILLION NET TONS), BUT EXTREMELY IMPORTANT TO ITALY. HE ALSO ASKED THAT SPECIAL CONSIDERATION BE GIVEN TO ITALY IN VIEW ITALY'S LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 146353

LONG HISTORY AS A MAJOR BUYER OF US SCRAP.

4. DEPTOFFS ADVISED GIORGIERI THAT AS RESULT VOLUNTARY JAPANESE ACTION TO REDUCE THEIR 1973 SCRAP IMPORTS FROM US BY ONE MILLION NET TONS (THUS BRINGING TOTAL OF US 1973 EXPORTS TO DATE AND PRE-JULY 2 ORDERS ON BOOKS FOR SHIPMENT IN 1973 DOWN TO 11.4 MILLION TONS), COMMERCE DEPT HOPEFUL OF BEING ABLE LICENSE FOR EXPORT ALL ORDERS CURRENTLY ON

BOOKS. HOWEVER, NOTING TIGHT US SCRAP SUPPLY SITUATION AND CONTINUING STRONG WORLDWIDE DEMAND FOR SCRAP, DEPTOFFS WERE UNABLE PROVIDE GIORGIERI ANY ENCOURAGEMENT THAT USG WOULD BE ABLE LICENSE POST-JULY 1 ORDERS FOR EXPORT IN 1973.

5. DURING DISCUSSION, DEPTOFFS NOTED THAT EC MAINTAINS EXPORT CONTROLS ON FERROUS SCRAP, AND SUGGESTED THAT IT MIGHT BE POSSIBLE FOR ITALY TO MAKE UP ITS ESTIMATED 270,000 TO 306,000 TONS 1973 SHORTFALL (DIFFERENCES BETWEEN

AVERAGE 1969-72 EXPORTS OF 681,000 TONS; 1972 EXPORTS OF 717,000 TONS; AND 1973 EXPORTS-ORDERS OF 411,000 TONS) WITHIN THE EC. GIORGIERI WAS UNABLE PROVIDE ANY INFORMATION RE THIS POSSIBILITY. ROGERS

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 JUL 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** worrelsw  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973STATE146353  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** WPOLIK:RDM  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730711/aaaaahsj.tel  
**Line Count:** 130  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 145525  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** worrelsw  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 SEP 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Sep-2001 by smithrj>; APPROVED <26 FEB 2002 by worrelsw>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S. FERROUS SCRAP EXPORTS TO ITALY  
**TAGS:** EIND, ETRD, IT  
**To:** ROME EC BRUSSELS  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005